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UNITES STATES DISTRICT COURT

DISTRICT OF NEVADA

TANGIERS GLOBAL, LLC, a Wyoming
limited liability company,

Case No. 20-1434

COMPLAINT

Plaintiff,

vs.

VGAMBLING, INC. n/k/a ESPORTS
ENTERTAINMENT GROUP, INC., a Nevada
corporation,

Defendant.

Plaintiff Tangiers Global, LLC ("**Tangiers**"), by and through its undersigned counsel,
hereby files this Complaint against Defendant VGambling, Inc. n/k/a Esports Entertainment
Group, Inc. ("**Esports**"). In furtherance of the same, Tangiers respectfully states the following:

NATURE OF ACTION

1. This action ("**Action**") arises out of Defendant Esport's breaches of a certain 8%
convertible promissory note, dated June 3, 2016 (the "**Note**"), and Common Stock Purchase
Warrant, dated June 3, 2016 (the "**Purchase Warrant**") (attached hereto as "Exhibit A").

PARTIES

2. Tangiers is a Wyoming limited liability company with its principal place of business in San Juan, Puerto Rico. Tangiers provides working and expansion funding to small and microcap public companies.

3. Defendant Esports is a Nevada corporation with its principal place of business in Birkirkara, Malta. Esports operates as an online gambling company.

JURISDICTION

4. This is an action by a Wyoming citizen against a Nevada citizen for breach of contract. Federal jurisdiction is thus premised on complete diversity of citizenship pursuant to 28 U.S.C. 1332.

5. Tangiers is a Wyoming two (2) member limited liability company. Neither member of Tangiers is a citizen of Nevada.

6. Defendant Esports is a Nevada corporation with its principal place of business in Birkirkara, Malta. Tangiers has conducted a reasonably diligent inquiry of publicly available information, including information available online from the Nevada Secretary of State.

7. The amount in controversy in this action substantially exceeds \$75,000.00.

FACTS

8. In June 2016, Tangiers agreed to loan Esports funds in the amount of \$60,000.00.

9. Pursuant to the Note, Tangiers was obligated to deliver \$60,000.00 to Esports, and the Note was due and payable on March 3, 2017 (the “**Maturity Date**”). However, if Esports paid the Note off in full within 90 days of the effective date (pursuant to the pre-payment terms contained in the Note), Tangiers agreed to waive the 8% interest charge. *See* Note at 1.

10. Between June 10, 2016, and June 16, 2016, Tangiers fulfilled its funding obligation in accordance with the terms of the Note.

11. Pursuant to the terms of the Note (as amended), Esports was also required to perform certain obligations, including reserving an adequate number of shares of Esports subject to the Note, and delivering those shares upon Tangiers’ conversion requests.

12. As an incentive to provide funding pursuant to the Note, the parties entered into the Purchase Warrant for the benefit of Tangiers, which granted Tangiers the right, at any time during the period of five (5) years from the date of the Purchase Warrant, to “subscribe for and purchase from [Esports] up to 427,777 shares [] of Common Stock.” Exhibit A at 1. According to Section 1(b) of the Purchase Warrant, “the exercise price per share of the Common Stock under [the] Warrant [was] \$0.14.” *Id.* at 1(b).

13. On September 19, 2016, Tangiers and Esports amended the Note (the “**Amendment**”) to reduce the principal amount of the loan to \$60,000.00. However, the Amendment did not alter any other terms of the Note or the Purchase Warrant.

14. In an effort to ease Esports’ concern that Tangiers would enter the market by exercising its conversion rights under the Note on the Maturity Date, on February 17, 2017 (approximately a week prior to the Maturity Date), Tangiers and Esports entered into a Settlement Agreement and Release (the “**Agreement**”) (the Note, Purchase Warrant, Amendment and Agreement are hereafter collectively referred to as the “**Transaction Documents**”) solely in connection with the Note.

15. Section 1.00(a) of the Note provides as follows:

Conversion Right. Subject to the terms hereof and restrictions and limitations contained herein, the Holder shall have the right, at the Holder’s sole option, at any time after 90 days from the date of this Note to convert in whole or in part the outstanding and unpaid Principal Amount under this Note into shares of Common Stock as per the Conversion Formula. The date of any conversion notice . . . hereunder shall be referred to herein as the “Conversion Date.”

Note at §1.00(a) (emphasis added).

16. The Agreement obligated Esports to pay Tangiers a total of \$90,000.00 in full payment and settlement of its obligations under the Note in five (5) installment payments, which commenced on March 5, 2017.

20. As a result of the conduct stated herein, Esports is in breach of the Purchase Warrant.

21. Tangiers repeats and re-alleges the allegations contained in paragraphs 1-20 as if fully set forth in this Count.

22. Esports entered into a valid contract with Tangiers upon the execution of the Purchase Warrant and other Transaction Documents.

23. Tangiers has performed all of the requisite obligations and duties required by the Purchase Warrant and other Transaction Documents. However, by engaging in the conduct described herein, Esports has breached the terms of the Purchase Warrant, including, but not limited to, failing :(1) to expeditiously issue the 327,879 warrant shares at an \$0.14 exercise price pursuant to the Notice of Exercise; and (2) to “take all such reasonable action as may be necessary to assure that such Warrant Shares . . . be issued as provided herein . . .” Exhibit A at §§1 and 4(d).

24. As a direct and proximate result of Esports’ breach, Esports has caused Tangiers to suffer damages in an amount to be determined at trial.

**Second Claim for Relief
Unjust Enrichment**

25. Tangiers repeats and re-alleges the allegations contained in paragraphs 1-24 as if fully set forth in this Count.

26. Tangiers asserts this claim for unjust enrichment in the alternative, as provided by Fed. R. Civ. P. 8.

27. Esports unjustly retained money or benefit from Tangiers against fundamental principles of justice or equity and good conscience.

28. Tangiers has been required to retain the services of an attorney to prosecute these matters and is entitled to recover its reasonable attorneys’ fees and costs incurred

29. Esports benefitted from the funding provided by Tangiers. As a result, Esports was unjustly enriched to Tangiers’ detriment.

PRAYER FOR RELIEF

WHEREFORE, Tangiers prays as follows:

1. For a Judgment in Tangiers favor and against Esports;
2. For compensatory damages in an amount to be determined at trial;
3. For prejudgment interest at the legal rate;
4. For such other and further relief as the Court may deem just and proper.

Dated: August 3, 2020

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